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SUBJECT: RUSSIA WATCHES U.S. WITH A "WARY EYE" IN CENTRAL ASIA

¶1. (SBU) Summary: Senior Russian analysts recently told SCA DAS Krol that while Moscow looked with suspicion upon U.S. activity in Central Asia, it was more concerned about the challenge presented by China, but was not sure how to counter a rival that had more resources at its disposal for winning over regional governments. The GOR could tolerate, or even cooperate with, U.S. efforts to maintain regional security, although Russians thought the U.S. would eventually leave Central Asia after it pulled out of Afghanistan. The analysts encouraged the U.S. and Russia to jointly stabilize Central Asia by addressing security needs, as well as the looming water and economic crises that also threatened the region. They argued that Central Asian governments failed to balance the needs of water suppliers and consumers, and relied upon outdated technology that wasted limited water resources. The global financial crisis would worsen an already poor employment situation that left large numbers of disaffected youth at risk of extremism. End summary.

China in Russia's Backyard  
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¶2. (SBU) Moscow Carnegie Center Director Dmitri Trenin and Deputy Director of the Institute of World Economy and International Relations (IMEMO) Gennadi Chufrin told DAS Krol that China's growing presence in Central Asia worried Russia more than U.S. activity in the region. Chufrin thought that many high-ranking GOR officials already realized that Central Asia was no longer an exclusive Russian region, whereas Trenin thought that Moscow had recently become more protective of Central Asia. He said it was "naive and facile" for Russians to believe that Central Asia, or other parts of the CIS, was within their sphere of influence.

¶3. (SBU) Trenin stressed that Russia saw China as the long-term threat in Central Asia, but was not sure how to counter Beijing's growing influence. While Moscow invited Beijing into the Shanghai Cooperation Organization (SCO), it did not want China involved in Central Asian security or economic development because Russia could not match Chinese resources.

U.S. Will Leave the Region  
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¶4. (SBU) Trenin argued that although Russia would not accept a U.S. presence in areas it considered crucial, such as Ukraine, it could tolerate a certain level of U.S. activity in Central Asia, where it watched the U.S. with a "wary eye." Russia thought that the U.S. would eventually leave the region, presumably after it pulled out of Afghanistan. The GOR was not sure that the U.S. would succeed in Afghanistan, which led Moscow to "maintain a certain distance" from Washington under the assumption that Russia would have to deal with whoever came after Karzai. Trenin added that while Afghanistan was an area where the U.S. and Russia had common interests, Moscow had received "signals" indicating that the U.S. did not really want Russia involved in stabilizing the country.

Russia and U.S. Could Cooperate  
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¶5. (SBU) Chufrin told DAS Krol that if the U.S. and Russia wanted to

build a "cooperative model," Central Asia was the place to do so. Although Russia remained suspicious of U.S. goals in the region, the GOR leadership understood the potential Central Asia held for cooperation. Both countries desired stability in the region, but were "not entirely sure" how to achieve it. Chufrin warned against the current, dual approach to securing Central Asia, which could create separate Russian and U.S. security systems, neither of which would be most effective.

#### Water Crucial to Regional Stability

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¶6. (SBU) Chufrin argued that after security, the greatest threats to Central Asia stemmed from the misuse of water resources and growing unemployment. The GOR recognized the importance of these issues, especially water, which had become more vital for Central Asia than energy resources. The region failed to reach a compromise between upstream suppliers and downstream consumers of water, and continued to rely on outmoded technology that allowed excessive waste. The answer was not in building new canals or diverting water from Siberia, but in obtaining better technology for the region, a goal the international community should embrace.

#### Economic and Social Instability

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¶7. (SBU) Chufrin explained that the global financial crisis would hit Central Asia through rising unemployment felt by the migrants who worked in Russia and Kazakhstan. The Kazakh economy, which is more dependent upon energy and raw materials than Russia, would suffer from falling prices.

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¶8. (SBU) Chufrin said that growing unemployment and accompanying social unrest threatened all of Central Asia, including Kazakhstan, where the "myth of the Kazak miracle is falling apart." Although Kazakhstan remained stronger economically than the rest of the region, the country already suffered a "loss of confidence" that threatened social stability. The rest of Central Asia, particularly Kyrgyzstan and Tajikistan, faced increasing numbers of unemployed youth who were most at risk of radicalization. Chufrin proposed greater coordination of international efforts concentrated on education, job training, and a system of rural financing and credit assistance. He thought India could get involved considering its experience in this field.

¶9. (U) DAS Krol has cleared this cable.